

CHAPTER 47

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM4701 **DEFINITIONS**

The following terms vary from the Definitions and are applicable to this chapter only.

470101. **Active Duty.** Full-time duty in the Armed Forces other than active duty for training and full-time duty as a cadet or midshipman at a Military Service academy.

470102. **Active Duty for Training.** Full-time duty in the Armed Forces for training purposes performed by Reserve Components; full-time National Guard duty; and full-time duty as a cadet or midshipman of the Reserve Officers Training Corps (ROTC) while attending field training or practice cruises.

470103. **Coverage.** SGLI payable upon death while insured.

470104. **Inactive Duty Training.** Duty (other than full-time duty) prescribed or authorized for members of a Reserve Component that is scheduled in advance by competent authority with a specific time and place designated. This does not include work or study performed in connection with correspondence courses or attendance at educational institutions in an inactive status.

470105. **Member.** A person on active duty, active duty for training, or inactive duty training with the Uniformed Services in a commissioned, warrant, or enlisted rank or grade; a cadet or midshipman at a Military Service academy; or a cadet or midshipman of the ROTC while performing field training or practice cruises.

4702 **GENERAL**

Members (defined in paragraph 470105, above) who receive basic pay for 1 or more days per month are responsible for SGLI premiums (coverage listed in section 4703, below) unless they waive coverage.

4703 **FULL-TIME COVERAGE**

The SGLI Program is administered by the Department of Veterans Affairs (VA).

★470301. **Basic Coverage.** Effective 1 April 1996, this program automatically insures eligible members against death in the amount of \$200,000 when the member is performing active duty or active duty for training for an ordered period of more than 30 days, or while on full-time duty as a cadet or midshipman at a Service academy. All Selected Reservists and any other Ready Reserve members who are assigned or attached to a unit or position that may require performing active duty or active duty for training and that will require at least 12

scheduled periods of inactive duty for training annually are also covered full-time (includes, but is not limited to training and retired categories A, B, C, D, F, H, L, P, Q, T, and U). Members may elect coverage for an amount less than \$200,000, in \$10,000 increments, or may elect to waive coverage.

★470302. Changes in Coverage. A member who is covered for an amount less than maximum SGLI coverage may later apply for increased coverage in writing in an amount of up to maximum SGLI coverage with proof of good health. See Table 47-1, note 7, for the only exception to the proof of good health requirement.

4704 PERIODS OF COVERAGE

See Table 47-1.

4705 APPELLATE LEAVE (WHETHER OR NOT EXCESS)

Where coverage was never terminated prior to being placed on appellate leave (in a full duty status or never confined with loss of full pay and allowances), continue coverage. When placed on appellate leave following confinement with total forfeiture of pay and allowances (during which coverage had been properly stopped, see Table 47-1, rule 9), coverage is not reinstated. If appellate leave followed a restoration to duty with pay, coverage is reinstated on the date the member returns to a full duty status and continues during the period of excess leave. Coverage is reinstated at the amount in effect on the day prior to its stoppage.

4706 FORFEITURE OF COVERAGE

Any person guilty of mutiny, treason, spying, desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States, or refuses to wear the uniform of such force, forfeits all rights to any coverage. This insurance is not payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

4707 DEDUCTIONS (SGLI PREMIUMS)

When a member is in a status referred to in section 4703 (eligible for full-time coverage), the monthly deduction (effective 1 July 1994) is \$.90 for each \$10,000 of coverage. The deduction will be made even though the member may have paid the yearly premium as a Reservist covered on a part time basis (Chapter 58, paragraph 580702). For rules concerning starting and stopping deductions, see Table 47-1. Monthly deductions are not prorated for partial months of service. Deduct the full month's premium for any month in which a member is covered for at least one day. During months in which coverage amounts change, deduct the full month's premium for the higher coverage rate.

4708 REFUNDS

Refunds will not be made of amounts deducted before the effective date of any election for reduced or waived coverage. When a request for reinstatement of coverage or for increased coverage is rejected by the Office of Servicemembers' Group Life Insurance (OSGLI), any increase in premiums withheld pending OSGLI rejection will be credited to the member's pay account.

4709 EXTRA HAZARD COSTS

470901. Cost. In addition to the deduction from the member's pay, each of the Military Services contributes from its appropriations an amount (determined by the VA) attributable to the extra hazard cost of SGLI. This premium reflects the cost of death claims in excess of the level of death claims that would result from normal peacetime service.

470902. Payment. The Military Services centrally pay the premium for extra hazard costs along with the member's premiums to the VA.

4710 SETTLEMENT OF SGLI CLAIMS

Death claims are filed with the OSGLI. The order of precedence for payment is the same as prescribed for arrears of pay (Chapter 36, section 3602). The OSGLI will reduce the insurance proceeds by the amount of any member premiums not paid.

EFFECTIVE DATES OF SGLI COVERAGE AND DEDUCTIONS (FULL-TIME AND PART-TIME)			
R U L E	A	B	C
	When a member required to perform duty described in section 4703, paragraph 580106, or 580702	then the effective date of	and SGLI deduction (note 1)
★1	enters such duty	coverage is the first day of entry on such duty (note 2). Maximum basic coverage is automatically in effect until the member elects reduced coverage or waives coverage (note 3).	starts the month of the date of entry.
★2	resumes the obligation or reenters on such duty in the same Uniformed Service the day following termination of such period of obligation (note 4)	insurance coverage (excluding elections of reduced or no coverage) is continuous (note 5).	continues at the appropriate rate.
3	elects a reduced amount of coverage after entry on such duty	coverage is the first day of the month following receipt by the Uniformed Service of the member's election, entered on VA Form SGLV 8286 or, if applicable, DA Form 41 (note 6)	starts in the reduced amount the first day of the month following receipt of the member's election. For deduction refunds, see section 4708.
★4	applies for increase or reinstatement of coverage after entry on such duty	coverage is the date of receipt by the Uniformed Service of the application with evidence of good health (note 7)	starts the month of the date the application is received by the Military Service.
5	elects not to be covered (declines or cancels) after entry on such duty	termination is the first day of the month following receipt by the Uniformed Service of the member's election, entered on VA Form SGLV 8286 (note 6)	stops at the end of the month in which the member's election is received by the Military Service. For deduction refunds, see section 4708.
6	is covered full-time and is separated and does not reenter active duty or immediately resumes part-time coverage	termination is 120 days after separation (note 8)	stop at the end of the month of separation.
7	is covered on a part-time basis and qualified period of duty ends	termination is the day active duty or active duty for training ends, or the hour inactive duty ends (notes 3, 9, and 10)	(See paragraph 580706.)
★8	is a Reservist not covered on a full-time basis and is called to active duty upon mobilization	coverage is the first day of active duty (maximum basic coverage is automatic unless a member applies for reduced or no coverage).	
9	is covered full-time and is AWOL, confined by civil authorities under a sentence adjudged by a civilian court, or confined by military authorities under a court-martial sentence involving total forfeiture of pay and allowances	termination is at the end of the 31st continuous day of such status (note 11)	stops at the end of the month in which the 31st day of such status is reached.
10	forfeits rights to SGLI under the provisions of section 4706 and paragraph 580705	termination is the end of the day before the date of conviction, refusal to perform service, or refusal to wear the uniform (note 12)	stops at the end of the month in which coverage is terminated.

Table 47-1. Effective Dates of SGLI Coverage and Deductions (Full-Time and Part-Time)

NOTES:

1. Members in an excess leave status normally remain eligible for coverage. (See section 4705 for the appellate leave exception.) Establish monthly premiums in such cases as deductions against member pay accounts or collect as cash according to procedures of the Military Service concerned.
2. First time enlistees in the Selected Reserves are eligible for coverage on the date of enlistment when assigned to a Ready Reserve unit that meets the requirements of 38 U.S.C. 1965(5)(B), regardless if they are or are not required to participate in periods of inactive duty training and have not yet been called to their initial active duty period. This does not apply to delayed entry active duty enlistees.
3. Elections made by Reserve Component members continue in effect during continuous obligation to perform duty in the same Uniformed Service. Reserves are not required to reelect or reapply for their desired level of coverage each time they perform duty. For the exception, see rule 8.
4. A new period of coverage begins and new elections must be submitted when a member resumes an obligation to perform duty or reenters on duty in the same Uniformed Service more than 1 day following termination of previous obligation; or when a member assumes an obligation to perform duty and enters on duty in a different Uniformed Service at any time. A member entering active duty after a break in service is automatically covered by the maximum basic coverage, until the member elects otherwise, even though the member may have converted former SGLI coverage to an individual policy following last discharge or release from active duty. A former member, insured under the Veterans Group Life Insurance (VGLI) Program, who declines SGLI coverage solely to maintain VGLI coverage, upon termination of VGLI, shall be automatically insured under maximum basic coverage if the member is otherwise qualified.
- ★5. Any previous election not to be insured or to be insured for less than \$200,000 is canceled. Maximum basic coverage is automatically in effect unless member again elects not to be insured or to be insured in a reduced amount.
6. For members covered on a part-time basis, an election for reduced or no coverage is effective at the end of the last day of the duty period being performed. If the election is made outside a duty period, the reduced or waived coverage is effective when the election is received by the Military Service.
- ★7. Increase or reinstatement of coverage is contingent upon written application by the member on DVA Form SGLV 8285, Request for Insurance, and approval by the OSGLI.
8. In the case of members totally disabled on the date of separation from such duty, the insurance shall cease 1 year after the date of separation or on the date the insured ceases to be totally disabled, whichever is earlier, but in no event prior to the expiration of 120 days after separation.
9. Part-time coverage is in effect only on the days of active duty or active duty for training, or during the hours of inactive duty training, including periods of travel to and from such duty. Coverage resumes at the beginning of each such period.
10. Coverage continues for 120 days after the period of duty if the member, during that duty period, incurs or aggravates a disability and the disability renders the member uninsurable at standard premium rates according to good health standards approved by the VA and as determined by the OSGLI.
11. Members carried in an AWOL or confined status, except for an offense listed in section 4706, remain eligible for coverage. Insurance terminated under the provisions of rule 9, together with any elections made, will be automatically reinstated as of the date the member is restored to duty with pay. Start premium deductions at the appropriate rate on the month of the date the member is restored to duty with pay.
12. Members restored to duty under conditions which, in effect, result in a remission of sentence may apply for reinstatement of coverage under rule 4.

Table 47-1. Effective Dates of SGLI Coverage and Deductions (Full-Time and Part-Time) (Continued)